Hidden Subsidy in Power Sector

1820. SHRI PREM CHAND GUPTA: Will the Minister of POWER be pleased to state:

(a) whether it is a fact that the Hidden subsidy for supplying electricity to the agriculture and domestic sectors for 1997-98 is expected to cross Rs. 23,000 crores and the projected subsidy for 1998-99 is Rs. 25,772 crores; and

(b) if so, the future policy of Government in this regard?

THE MINISTER OF POWER (SHRI P.R. KUMARAMANGALAM): (a) The accounts of the State Electricity Boards are required to be forwarded to the Central Electricity Authority within six months of the close of the year to which the accounts relate. However, the accounts for the 1997-98 from most of the SEBs have not been received. The figures for subsidy during the year 1996-97 as shown in Annual Accounts of 16 SEBs (excluding OSEB) are given in the Statement (*See* below) the tariffs as designed by various SEBs have an element of cross subsidization by/to different categories of consumers.

(b) The establishment of the Central and State Electricity Regulatory Commissions as provided in the Act passed by the Parliament, would lead to rationalisation of tariff and also provide for transparency in the provision of subsidies.

Statement

Details of Subsidy of SEBs as Indicated in Accounts During 1996-97

S.No.	SEBs		Rs. in Crores
1.	APSEB	(A)	850.45
2.	ASEB	(U)	52.33
3.	BSEB	(U)	491.80
4.	GEB	(A)	1179.58
	HSEB	(A)	641.73
6.	HPSEB	(A)	0.00
7.	KEB	(A)	705.92
8.	KSEB	(U)	278.02
9.	MPEB	(U)	337.53
10.	MSEB	(A)	258.71
11.	MESEB	(A)	8.50
12.	OSEB		—
13.	PSEB	(A)	403.78
14.	RSEB	(A)	563.14
15.	TNEB	(A)	586.51
16.	UPSEB	(A)	1556.77
17.	WBSEB	(A)	245.52
18.	All SEBs		8160.29

A—Audited; U — UN — Audited
OSEB ceased to exist w.e.f 1.4.96
SOURCE—CEA.

Cancellation of Loan by World Bank

1821. SHRI PREM CHAND GUPTA: Will the Minister of POWER be pleased to state:

(a) whether it is a fact that the World Bank has cancelled a loan of $ 450 Million to Power Grid Corporation as a result of which some new projects have been dropped; and

(b) if so, what will be the effect of it on the overall grow in the power sector?

THE MINISTER OF POWER (SHRI P. R. KUMARAMANGALAM): (a) and (b) No, Sir, A loan for US $ 450 million was negotiated in April 1998, which was to be approved by the World Bank Board in May, 1998. The World Bank's Board approval is awaited. However, the World Bank has allowed POWERGRID meanwhile to proceed with tendering and award of the contracts with retrospective financing.